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HOUSE BILL 777

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

John A. Heaton

AN ACT

RELATING TO PUBLIC HEALTH; PROVIDING FOR HOSPITAL-ACQUIRED  
CONDITION REPORTING; ESTABLISHING REPORTING REQUIREMENTS;  
ESTABLISHING QUALITY IMPROVEMENT REQUIREMENTS; PROHIBITING  
PAYMENT FOR CERTAIN SERIOUS REPORTABLE EVENTS; AMENDING THE  
PUBLIC ASSISTANCE ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] SHORT TITLE.--Sections 1  
through 5 of this act may be cited as the "Hospital-Acquired  
Conditions Act".

Section 2. [NEW MATERIAL] DEFINITIONS.--As used in the  
Hospital-Acquired Conditions Act:

A. "advisory committee" means the hospital-acquired  
conditions advisory committee;

B. "department" means the department of health;

1           C. "hospital" means a facility that provides  
2 emergency or urgent care, inpatient medical care and nursing  
3 care for acute illness, injury, surgery or obstetrics and that  
4 is licensed as a hospital by the department;

5           D. "hospital-acquired condition" means a condition  
6 that has been identified by the centers for medicare and  
7 medicaid services of the federal department of health and human  
8 services as a hospital-acquired condition and includes serious  
9 reportable events or a condition identified by the advisory  
10 committee as a hospital-acquired condition;

11           E. "indicator" means a measure of a hospital-  
12 acquired condition or other condition, process or serious  
13 reportable event identified and defined by the advisory  
14 committee that is based on objective, scientific standards and  
15 that may be tracked and reported;

16           F. "national healthcare safety network" means the  
17 secure, internet-based surveillance system that is managed by  
18 the centers for disease control and prevention of the federal  
19 department of health and human services;

20           G. "serious reportable event" means a preventable  
21 injury caused by care management, rather than an underlying  
22 disease, and errors that occur from failure to follow a  
23 standard of care or institutional practices and policies; and

24           H. "surveillance system" means a secure, internet-  
25 based system designed for the collection of hospital-acquired

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1 condition incidence and prevention data.

2 Section 3. [NEW MATERIAL] HOSPITAL-ACQUIRED CONDITIONS--  
3 ADVISORY COMMITTEE--REQUIRED REPORTING.--

4 A. The department shall conduct a statewide program  
5 of surveillance of hospital-acquired conditions for the purpose  
6 of public reporting and quality improvement in which each  
7 hospital in the state shall participate.

8 B. The "hospital-acquired condition advisory  
9 committee" is created in the department to conduct surveillance  
10 of hospital-acquired conditions and to make recommendations to  
11 the department about what indicators to consider for being  
12 subject to surveillance and reporting. Members of the advisory  
13 committee shall include:

- 14 (1) a consumer of health care services;
- 15 (2) a representative of the New Mexico  
16 association for professionals in infection control and  
17 epidemiology;
- 18 (3) a representative of the New Mexico  
19 hospital association;
- 20 (4) a representative of the New Mexico medical  
21 review association;
- 22 (5) a local representative of the society for  
23 healthcare epidemiology of America; and
- 24 (6) the department's infectious disease  
25 epidemiology bureau.

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1 C. The advisory committee shall establish or use  
2 industry-accepted guidelines, definitions, criteria, standards  
3 and coding for hospital identification, tracking and reporting  
4 of hospital-acquired conditions, provided that all conditions  
5 selected by the centers for medicare and medicaid services as  
6 hospital-acquired conditions are adopted. Additionally, the  
7 advisory committee shall consider the following indicators:

8 (1) central line associated bloodstream  
9 infections;

10 (2) surgical site wound infections;

11 (3) ventilator assisted pneumonia;

12 (4) catheter associated urinary tract  
13 infections; and

14 (5) other hospital-acquired conditions that  
15 the advisory committee may determine in consultation with  
16 technical advisors who are regionally or nationally recognized  
17 experts in the prevention, identification and control of  
18 hospital-acquired conditions and the public reporting of  
19 performance data.

20 D. Hospitals shall be required to identify, track  
21 and report hospital-acquired conditions identified by the  
22 department.

23 Section 4. [NEW MATERIAL] REPORTING REQUIREMENTS--  
24 PROTECTION OF DATA.--

25 A. By July 1, 2011, the department shall establish  
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1 a hospital-acquired condition and serious reportable event  
2 reporting system capable of receiving electronically  
3 transmitted reports from hospitals.

4 B. The department shall maintain the data collected  
5 from hospitals in a database for the purpose of supporting  
6 quality improvement and infection control activities in  
7 hospitals. The database shall be organized so that consumers,  
8 hospitals, health care professionals, purchasers and payers may  
9 compare individual hospitals, regional and statewide averages,  
10 and, where available, national data.

11 C. The secretary of health shall submit a report to  
12 the governor and the legislature on hospital-acquired  
13 conditions and serious reportable events, adjusted for the  
14 potential differences in risk factors for each reporting  
15 hospital.

16 D. The department shall develop and implement an  
17 audit process to ensure that self-reported hospital-acquired  
18 conditions and serious reportable event data are accurate.

19 Section 5. [NEW MATERIAL] QUALITY IMPROVEMENT--  
20 REQUIREMENTS.--

21 A. Following the occurrence of any of the events  
22 specified in Subsection C of Section 3 of the Hospital-Acquired  
23 Conditions Act, a hospital reporting such occurrences shall  
24 conduct a root cause analysis and shall implement a corrective  
25 action plan in accordance with department regulations for

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1 licensure of hospitals.

2 B. The department shall conduct continuous quality  
3 improvement activities pursuant to the statewide program of  
4 surveillance of hospital-acquired conditions and serious events  
5 specified in Section 3 of the Hospital-Acquired Conditions Act.  
6 Continuous quality improvement activities shall include methods  
7 to provide public accountability for hospitals reporting  
8 hospital-acquired conditions and serious reportable events.

9 Section 6. Section 27-2-9 NMSA 1978 (being Laws 1973,  
10 Chapter 376, Section 13) is amended to read:

11 "27-2-9. PAYMENT FOR HOSPITAL CARE.--

12 A. Consistent with the federal act, the medical  
13 assistance division of the department shall provide necessary  
14 hospital care for recipients of public assistance other than  
15 those eligible under the general assistance program authorized  
16 by Section [~~10 of the Public Assistance Act~~] 27-2-7 NMSA 1978.  
17 The rate of payment for in-patient hospital services shall be  
18 based either on the reasonable cost or the customary cost of  
19 such services, whichever is less. In determining reasonable  
20 cost under this section, the [~~board~~] medical assistance  
21 division shall adopt regulations establishing a formula  
22 consistent with the federal act. The [~~department~~] division  
23 shall apply that formula to determine the amount to which each  
24 hospital is entitled as reimbursement for providing in-patient  
25 hospital services.

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